



CITY OF LODI COUNCIL COMMUNICATION

AGENDA TITLE: Authorize the City Manager to approve change orders for construction of the Killelea Substation Rehabilitation Project in a cumulative amount not to exceed \$250,000 (EUD)

MEETING DATE: November 7, 2007

PREPARED BY: Electric Utility Director

RECOMMENDED ACTION: Authorize the City Manager to approve change orders that may be incurred for the construction of the Killelea Substation Rehabilitation Project up to \$250,000.

BACKGROUND INFORMATION: The construction of the Killelea Rehabilitation Project is in progress. The general construction contract was awarded by the City Council on June 6, 2007 to Rosendin Electric, Inc. of San Jose, CA. The procurement of the 15kV Class Indoor Switchgear and the Remote Terminal Unit (RTU) was awarded by the City to Siemens Power Transmission and Distribution, Inc. (c/o Geo Honn Company of Vacaville, CA) on June 6, 2007 and May 16, 2007 respectively. The total amount for these three contracts is \$3,681,098.50 broken down as follows:

- | | |
|---------------------------------------|----------------|
| 1. General Construction Cost | \$2,921,801.00 |
| 2. 15kV Class Indoor Switchgear | \$ 699,297.50 |
| 3. Remote Terminal Unit | \$ 60,000.00 |

Staff and EUD's power engineering consultant performed a thorough design and diligently prepared a comprehensive technical specification of the Killelea Substation Rehabilitation Project. However, during the construction and equipment manufacturing stage, additional tasks and revisions will likely become apparent that are necessary for implementation to enhance the functionality of the project.

Time is of the essence for this project. It must be complete prior to the summer of 2008. The construction period for the rehabilitation project is only seven (7) months covering the acquisition of required permits from both County and City, demolition and disposal, site preparation, construction and installation, test and commissioning, and energization of the substation facility on May 1, 2008. The project schedule was reasonably planned and included a few weeks of cushion. Some of this cushion has already been consumed due to delays encountered by the general contractor in obtaining air quality permit from the County. In addition, project construction might be exposed to potential inclement weather conditions that may affect completion.

Authorizing the City Manager to approve change orders concerning project cost and time would hasten business processes as well as insure continuity of construction and increase project efficiency and effectiveness. Staff recommends that the City Council authorize the City Manager to approve future change orders for cost and time in an aggregate amount of up to \$250,000. Staff will provide a summary of any change orders to the City Council as part of the project completion report.

APPROVED: _____
Blair King, City Manager

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FISCAL IMPACT: Will be based on actual cost of the approved change orders, not to exceed a total of \$250,000.

FUNDING: Transfer from Bond Proceeds to Account No. 161677 for Killelea Substation.

Kirk Evans, Budget Manager

George F. Morrow
Electric Utility Director

PREPARED BY: Demy Bucaneg, Jr., P.E., Manager, Engineering & Operations

GFM/DB/lst